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GENERAL

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1	. Bohlen believes Korean settlement unlikely:					
25X1A	Ambassador Bohlen believes "it is unlikely that any major agreements will be achieved" on Korea's future at a Korean political conference, that in all probability the present demarcation line between North and South Korea will become the frontier, and that it is therefore not essential to press for Soviet attendance					
	Regarding Sino-Soviet relations, Bohlen feels that there probably is a good deal of "oriental maneuvering," especially on Korea.					
	Comment: The adamant position of the Panmunjom suggests a desire to avoid serious negotiations for a settlement at this time.					
	While China's increased influence in North Korea creates a basis for possible Sino-Soviet friction, Moscow and Peiping appear to have reached an agreement on their respective roles in North Korea.					
	FAR EAST					
2.	India may return prisoners prior to 23 January deadline:					
25X1A	Krishna Menon told Ambassador Allen on 9 January that Prime Minister Nehru has decided that the Indian forces in Korea must relinquish custody of the prisoners "on or before 23 January." Menon stated that by returning the prisoners before that date, India would avoid responsibility for retaining them after the period of neutral custodianship ends or of declaring them civilians.					
	Allen comments that Menon is solely concerned					

Allen comments that Menon is solely concerned with finding a solution which will not unduly alarm Peiping.

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Comment: India is greatly concerned that violence will occur in the prison compounds on and after 23 January, even if the prisoners are released, and apparently wants to avoid the onus for bloodshed by releasing them earlier.

India's release of the anti-Communist prisoners before 23 January would make the United Nations vulnerable to a charge of participation in a truce violation and would add substance to Communist charges that the armistice terms were not being carried out. The number of pro-Communist prisoners held by the Indians is small enough so that they could all be released on that date.

SOUTHEAST ASIA

3. French believe Viet Minh moves show desire to negotiate:

25X1A	The office of the French commissioner
	general in Saigon believes the propaganda themes at Viet Minh meetings during Decem-
	ber demonstrate that recent peace feelers
· ·	are not mere propaganda, but show a genuine desire to negotiate.
	Themes cited are France's internal weakness, contradictions in the
	"imperialist camp," international developments favorable to the
	"democratic camp," and the denial of "hostile propaganda" that the
	Viet Minh's weakness is forcing it to negotiate

It believes the central Laos invasion was designed to convince the French of the futility of resistance, and notes that the Viet Minh's recent release of prisoners was accompanied by propaganda emphasizing its desire to create an atmosphere of friendship with the French people.

Comment: All the themes listed are routine in Viet Minh propaganda but serious peace overtures are always a possibility.

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NEAR EAST - AFRICA

4. Zahedi confident of controlling new Majlis:

25X1A	Prime Minister Zahedi told Ambassador Henderson on 7 January that he expects his government to win an "overwhelming victory" in the elections without being com- pelled to resort to "undue pressures."
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Zahedi said that about 40 of the 136 government-backed candidates would give him wholehearted support, 40 would not be trustworthy in times of stress, and the remainder, except for a few demagogues, would generally support the government. He believes the government can obtain an oil settlement and domestic reforms with such a Majlis.

Zahedi said he does not like many of the government's candidates, but he is committed politically to some while others are very strong in their own communities and cannot be ignored.

Comment: The government's candidates represent little improvement over deputies in earlier parliaments. Several are notoriously corrupt and many were obviously chosen because of their friendship for Zahedi or the shah rather than their ability. Although the government may be able to control the new Majlis, most of the deputies will place personal gain before national welfare.

5. Iraqi premier favors aid to Pakistan:

25X1A	Iraq's Prime Minister Jamali has refused the advice of the Indian minister in Baghdad that the Asian nations oppose US military aid to Pakistan, according to Ambassador Berry.			
	Jamali told the minister that because of its oil resources and key strategic position, which expose the country to attack, Iraq could not ignore the defense problem. He advised India to settle its differences with Pakistan, to arm itself, and cooperate with other Asian nations in building up a defense against any external attack.			

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Jamali added that he might visit Karachi sometime next month, since he had been invited by the Pakistani prime minister to do so.

Comment: Iraq's position, as well as those of Ceylon and Afghanistan, refutes India's claim of widespread Asian disapproval of American military aid for Pakistan.

6.	Nuri	Said	undermining	Iraqi	cabineta

25X1A	Former prime minister Nuri Said appears to be undermining Iraqi prime minister Jamali, according to the American embassy in Baghdad. Nuri is pressing for the dissolu-
	tion of all political parties, though this would probably provoke demon-
	strations, and his followers in parliament are blocking Jamali's reform
	bills.

Nuri has told the British ambassador that he has little confidence in Jamali and that grave disturbances in the country are likely because of student, Communist and subversive activities.

Comment: Supported by the king and the crown prince but faced with opposition from Nuri Said, Jamali is rendered politically impotent.

Politically-inspired disturbances may be used to remove Jamali at any time. Interested in Western defense plans, he represents a faint hope for basic reform.